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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 5266
INFO RUEHAC/AMEMBASSY ASUNCION 4089
RUEHBO/AMEMBASSY BOGOTA 2497
RUEHBU/AMEMBASSY BUENOS AIRES 1599
RUEHBR/AMEMBASSY BRASILIA 1019
RUEHCV/AMEMBASSY CARACAS 2184
RUEHPE/AMEMBASSY LIMA 6301
RUEHMN/AMEMBASSY MONTEVIDEO 4499
RUEHQT/AMEMBASSY QUITO 2512
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000707

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - JULY 24

Lead Story

1. Unemployment in the Metropolitan Region is 11.9%, which is 0.9% lower than in March. This is the first drop since the end of 2008, and means that 30,800 people are no longer without a job (El Mercurio, conservative, influential newspaper-of-record, 7/24).

Survey

2. The Market Research International (MORI) poll shows that Sebastian Pinera would be ahead of all presidential candidates in a first round, with 43%. Eduardo Frei received 21% and independent Marco Enriquez-Ominami 13%. In a hypothetical Pinera-Frei runoff, the first received 46% and the latter 30%; in a runoff with Enriquez-Ominami, Pinera would have received 47% and the latter 23%. The poll was conducted in the Metropolitan Region only and represents 85% of the national population (All dailies, 7/24).

Riggs Case

3. Conservative think tank "Libertad y Desarrollo" (L&D) has been deploying major efforts among right-wing parties to stop Congress from passing a bill that would grant Chile's tax revenue system the authority to lift banking secrecy. L&D's research director Axel Buchheister has been leading this position, arguing that the bill is a violation of people's right to privacy. But there is more to Buchheister. He helped set-up the first triangular operation to conceal Dictator Pinochet's assets abroad (El Mostrador, on-line news agency, 7/24).

Mapuche conflict

4. Fifty indigenous Mapuches destroyed almost 1,000 ft. of fence and two wooden bridges to illegally occupy the property of Rene Urban, in southern Chile. The Carabineros police were called, but were met with stones and resistance. The group's leader was arrested and charged with violent usurpation. Urban has suffered 36 previous similar attacks that have amounted to US\$1.2 million in losses (El Mercurio, conservative, influential newspaper-of-record, 7/24).

5. Another illegal occupation occurred just a few miles from Urban's land. The Mapuches were met by the police and fled to the hills. Regional "Intendente" Cristian Dulansky said the government "does not yield to violence," adding that only 1% of the 1,800 Mapuche communities in the area resort to violent usurpation (El Mercurio, 7/24).

Local politics

¶6. Former Military regime Justice Minister Monica Madariaga said in an interview that in 1982 she had spoken to a judge to take Sebastian Pinera out of prison. Pinera was facing charges as president of a bank that had issued millions of pesos in loans to its owners (La Tercera, conservative, independent, 7/24).

Salmon Industry

¶7. A Ministry of Economy report confirms that Chile's salmon industry used excess antibiotics in 2008: 325,616 kilos. Norway, with a production comparable to Chile's, used only 941 kilos. Cesar Barros, president of the local Salmon Producers' Association, explained the difference, arguing that unlike Chile, Norway was using a vaccine that was 100% effective against furunculosis. Environmental organization "Oceana" requested the information based on the new Transparency Law (El Mercurio, 7/24).

Honduras

¶8. In an interview with Alvaro Vargas Llosa, Honduran de facto President Roberto Micheletti said: "President Zelaya's return to power is not possible.... Let me remind you that there is a warrant of arrest against him for committing at least 15 crimes, which means he must be detained and handed to the courts of justice.... I'm willing to resign so that there is a national unified government and if former President Zelaya renounces to his objective and hands power to whoever wins the election.... There are no political prisoners here, nor deaths, torture or censorship. There is no dictatorship.... The constitution is clear. Any citizen, including the president, who commits an unconstitutional act or tries to reform it on his own, must be removed from office.... Zelaya has broken the law" (La Tercera, 7/24).

¶9. In Paraguay, President Bachelet said: "We believe that President Arias' proposal contains the essential points to guarantee the reestablishment of democracy (in Honduras)... but having that failed, we believe it is time for the OAS to take additional action... to create the conditions for Honduras to recover its democracy" (Diario Financiero, business and financial, 7/24).

¶10. Andres Oppenheimer column: "The conflict in Honduras is quickly turning into a power struggle in Washington, which could be a bad sign for U.S. policy toward Latin America. We are already starting to see the signs of this. Republican Senator Jim DeMint blocked Arturo Valenzuela's confirmation as head of hemispheric affairs and Thomas Shannon's as ambassador to Brazil, the largest country in Latin America.... The delay to confirm the man responsible for U.S. policy toward the region, plus the fact that Obama has not yet appointed a Special Envoy for the Americas could have a very high cost for Washington in the region" (El Mercurio, 7/24).

SIMONS